

### **III. Amendments to the Claims**

1. (currently amended) An institution-centric electronic commerce system for effecting a real time ~~register of a~~ transfer of guaranteed funds ~~transfer~~ associated with a transaction in a ~~secure~~ network environment comprising:

an association of institutional user account custodians and institutional merchant account custodians subscribing to a common rule set in which users and merchants are associated with their respective account custodians and in which the respective custodians of the user and merchant accounts maintain custody of funds of the user and the merchant;

a network ~~linking~~ capable of interconnecting, upon a request for an interconnection:  
1) users and user account custodians, 2) merchants to and from merchant account custodians, 3) users and merchants ; ~~users and their account custodians; merchants and their account custodians;~~ and 4) user account custodians, and merchant account custodians and to and from a settlement mechanism;

a vendor mall including at least one site of a merchant for effecting a transaction with the merchant, said mall allowing access by a user to the at least one merchant for a transaction having a defined funds value and being accessible by a user through a network connection ~~from~~ initiated through a user account custodian;

a network switch linking the mall with user account custodians, merchant account custodians and a said settlement mechanism;

means in the network switch 1) for receiving a transaction information record from a merchant site at the mall comprising at least a user identification indicia, a transaction funds value, and the merchant identity; 2) for associating user identification indicia with a user account custodians; 3) for associating a merchants with ~~their~~ the merchant's account custodians; and 4) for transmitting a the transaction information record ~~of transaction value~~

~~and user indicia and merchant identity, respectively, essentially simultaneously~~ to the user account custodian and to the merchant account custodian;

a mechanism in the user account custodian, whereby, upon receipt of said transaction information record, the user account custodian debits funds from the user account to effect a guarantee of good funds in the account in the amount of the transaction funds value and ~~to separates~~ said funds from the user's account into a transaction value funds account in a file associated with the merchant account custodian;

control means in the said network switch to initiate ~~the~~ said settlement mechanism on a predetermined interval periodic basis and to effect net settlement of transaction value funds between and among user account custodians and merchant account custodians corresponding to the aggregate net value owing or credited to the respective account custodians for transactions during the period of the predetermined interval, through one of a Federal Reserve settlement, a private clearing house mechanism, and a settlement mechanism within the network switch.

2. (original) The system of claim 1 in which users and their account custodians are organized in the system in separate institution centered relationships secured by one or more than one of a firewall, certificate of authority system and identity authentication system.

3. (currently amended) The system of claim 1 ~~in which~~ including a hot file interposed in the network in a connection between a user and the user's account custodian, the hot file comprising means for screening screens attempted user entry attempts and disallowing entry upon the detection of ~~for~~ lost or stolen cards or identifications, closed accounts and other criteria ~~involved in~~ determined by predetermined rules governing user access parameters.

4. (original) The system of claim 2 in which an identification system includes one or more of a user's check, debit card, credit card, smart card or biometric identification, PIN, or combination thereof, issued to the user upon subscription into the system.

5. (currently amended) The system of claim 1 in which a user's entrance into a vendor mall site is correlated by the user account custodian with a record of a user's verified identity.

6. (currently amended) The system of claim 5 in which a verification of the ~~customer's~~ identity of a user is derived from indicia on one or more of a check, a debit, credit or smart card, biometric identification and PIN.

7. (currently amended) The system of claim 5 ~~or claim 6~~ in which upon the authentication of a user's verified identity, a unique digital trace identifier including an identification of the user account custodian is issued to the user by the user account custodian and the custodian maintains a record of the trace identifier issued to the user.

8. (original) The system of claim 7 including in the vendor mall one of a custodian file database or look up table that associates the trace identifier with the user's account custodian.

9. (original) The system of claim 7 including in the vendor mall one of a custodian file database or look up table that associates an account custodian of record for each mall merchant.

10. (currently amended) The system of claim 8 in which the same database or look up table associates the trace identifier with the user's account custodian and the account custodian of record for each ~~mall~~ merchant.

11. (currently amended) The system of claim 9 in which the same database or look up table associates the trace identifier with the user's account custodian and the account custodian of record for each ~~mall~~ merchant.

12. (currently amended) The system of claim 7 in which, in the event of a user transaction with a merchant ~~at the mall~~, the merchant prepares a transaction information record recording at least the amount of the transaction, the trace identifier for the user and the account custodian of record for the merchant for transmission over the network to the account custodian of record for the merchant.

13. (original) The system of claim 12 in which the user and merchant are associated with the same custodian and the transaction is an ON US transaction in which the custodian effects a real time transfer of actual funds from user's account to the merchant's account.

14. (original) The system of claim 12 in which the transaction information record is transmitted to the network switch connecting user account custodians and merchant account custodians and the network switch transmits to the user account custodian a record of the transaction value and user trace identifier and transmits to the merchant account custodian a record of the transaction value and the merchant identity.

15. (currently amended) The system of claim 1 in which a ~~mall~~ server interconnects a multiplicity of merchants to define the mall in a correspondence with merchant sites and the server 1) is interrelated with the network switch interconnecting user account custodians and merchant account custodians and 2) includes one of a database ~~or~~ and look up table for transaction information records and merchant funds custodians.

16. (cancelled)

17. (original) The system of claim 1 in which access to the system by a user is effected by a PC terminal, a wired or wireless personal communication device, browser, Web or Internet appliance, ATM, or kiosk.

18. (original) The system of claim 1 in which the value of a transaction is associated with real funds or a credit line.

19. (original) The system of claim 1 in which a user transaction is initiated at a physical location of a merchant.

20. (currently amended) The system of claim 17 in which a user initiates a transaction at a virtual point of sale at a merchant site at the mall.

21. (original) The system of claim 1 in which the mechanism in the user account custodian to effect a guarantee of good funds in the account in the amount of the transaction value includes a debit authorization and memo/hard post item against a demand deposit account of the user.

22. (original) The system of claim 1 in which the mechanism in the user account custodian to effect a guarantee of good funds in the account in the amount of the transaction value includes a debit authorization and memo/hard post item against a credit line of the user.

23. (original) The system of claim 1 including a mailbox accessible through the network and assigned to a merchant for real time lookup of net accumulated or disbursed funds achieved in transactions.

24. (original) The system of claim 1 including a mailbox accessible through the network and assigned to an account custodian for real time lookup of net debits and credits owing from or payable to the custodian.

25. (currently amended) An institution-centric electronic commerce system for effecting a real time transfer of guaranteed funds associated with a transaction in a network environment comprising:

an association of institutional user account custodians and institutional merchant account custodians subscribing to a common rule set in which users and merchants are associated with their respective account custodians and in which the respective custodians of the user and merchant accounts maintain custody of funds of the user and the merchant;

a network capable of interconnecting, upon a request for an interconnection: 1) users and user account custodians, 2) merchants to and from merchant account custodians, 3) users and merchants and 4) user account custodians and merchant account custodians to and from a settlement mechanism;

a vendor mall including at least one merchant, said mall allowing access by a user to the at least one merchant for a transaction having a defined funds value and being

accessible by a user through a network connection initiated through a user account custodian;

a network switch linking the mall with user account custodians, merchant account custodians and said settlement mechanism;

means in the network switch 1) for receiving a transaction information record from a merchant at the mall comprising at least a user identification indicia, a transaction funds value, and the merchant identity; 2) for associating user identification indicia with a user account custodian; 3) for associating a merchant with the merchant's account custodian; and 4) for transmitting a the transaction information record essentially simultaneously to the user account custodian and to the merchant account custodian;

a mechanism in the user account custodian, whereby, upon receipt of a transaction information record representing ~~An institution to institution transaction in the system of claim 1 in which:~~ an institution's acceptances of a user's non-on-us check funds transfer, and the institution sends the check funds transfer information to the network switch which routes information to the payor institution and to the depositor institution; the switch creates a record of the check funds transfer; credits the depositor institution; debits the payor institution; and transmits the record to the payor institution; the payor institution receives the transaction information, verifies the user check-writer's funds transferor's account balances and puts a hard memo post hold item in the amount of the check funds transfer on the account of the user check-writer.

26. (currently amended) The system of claim 1 in which the mall is comprises a virtual private network comprised of the-multiple a plurality of merchants vendors.

27. (currently amended) The system of claim 1 including an interconnection between a merchant's the vendor's mall site and the vendor's distribution center, in which, upon transmission of the transaction information record, whereby at the time of a transaction with a user ~~when the vendor is credited with good funds~~, shipment of the goods of the transaction to the user is approved.

28. (original) The system of claim 26 in which the virtual private network has a third party administrator.

29. (cancelled)

30. (original) An electronic commerce system for effecting a real time register of a funds transfer associated with a transaction in a secure network environment comprising:

an association of employee account custodians and employer account custodians in which employees and employers are associated with their respective account custodians;

a network linking employee account custodians, employer account custodians, employees and employers; employee account custodians, employer account custodians and a settlement mechanism;

a third party intermediary reimbursement service site, said reimbursement site allowing access by an employee for a reimbursement transaction having a defined value and being accessible by an employee through a network connection;

a network switch linking the reimbursement site with employee account custodians, employer account custodians and a settlement mechanism;

means in the network switch for receiving transaction information from the reimbursement site comprising at least an employee indicia, transaction value, and employer



identity; for associating employee indicia with account custodians; for associating employers with their account custodians; for transmitting a record of transaction value and employee indicia and employer identity, respectively, to the employee account custodian and to the employer account custodian;

a mechanism in the employer account custodian to effect a guarantee of good funds in the account in the amount of the transaction value and to separate funds from the employer's account into a transaction value file associated with the employee account custodian;

control means in the switch to initiate the settlement mechanism and to effect net settlement of transaction value between and among employer account custodians and employee account custodians.

31. (cancelled)

32. (cancelled)